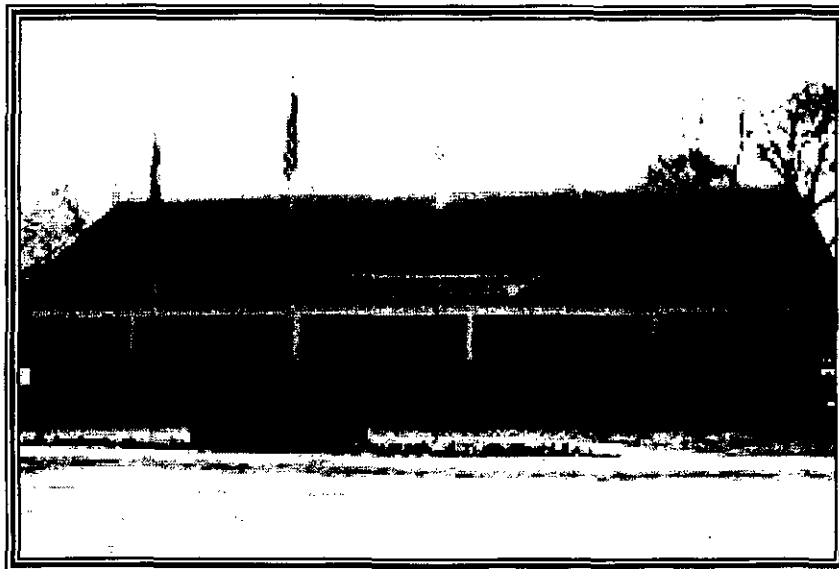




TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 2005



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-1-06

TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 2005

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of St. Francisville, Louisiana (TOSF) as of and for the year ended August 31, 2005, which collectively comprise the TOSF's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of St. Francisville, as of August 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 4 through 10 and pages 38 through 43 are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2006 on our consideration of the Town of St. Francisville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of our testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TOSF's basic financial statements. The accompanying supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of St. Francisville. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for that information related to the water and gas rates. This information was furnished to us by the town and we express no opinion on it.

Postlethwaite & McNamee

Baton Rouge, LA
January 4, 2006



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS AND INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the financial statements of the Town of St. Francisville, Louisiana, as of and for the year ended August 31, 2005 and have issued our report thereon dated January 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of St. Francisville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of St. Francisville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Town of St. Francisville's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of the Board of Commissioners, management, and others within the organization, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Postlethwaite & Netterville

Baton Rouge, LA
January 4, 2006

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENTS DISCUSSION AND ANALYSIS
August 31, 2005

This section of Town's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on August 31, 2005. Please read it in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Town's combined total net assets decreased by \$37,889 or 0.8% over the course of this year's operations. Net assets of our governmental activities decreased approximately \$29,633 (or 0.9%) and decreased \$8,256 or nearly 1% in the net assets of our business-type activities.
- The general fund reported a \$1.16 million fund balance at year end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as water and sewer system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the Town's financial statements, including the portion of the Town's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Figure A-1 Major Features of Town's Government and Fund Financial Statements					
		Fund Statements			
		Government-wide Statements	Governmental Funds	Proprietary Funds	
Scope		Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and streets	Activities the Town operates similar to private businesses: the water and gas system	
Required financial statements		<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expense, and changes in net assets • Statement of cash flows 	
Accounting basis and measurements focus		Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	
Type of asset/liability information		All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	
Type of inflow/outflow information		All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENTS DISCUSSION AND ANALYSIS
August 31, 2005

Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net assets and how they have changed. Net assets—the difference between the Town's assets and liabilities—is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional nonfinancial factors such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities—most of the Town's basic services are included here, such as the police, fire, public works, parks department, and general administration. Property taxes, sales taxes, franchise fees and interest finance most of these activities.
- Business-type activities—The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water and gas systems are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

The Town has two kinds of funds:

- Governmental funds—Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary funds—Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2005

— In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net assets. The Town's combined net assets decreased slightly between fiscal years 2004 and 2005.
(See Table A-1.)

	Table A-1			
	Town's Net Assets			
	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Current and other assets	\$ 1,662,519	\$1,565,081	\$ 413,903	\$ 409,982
Capital assets	2,101,496	2,163,366	581,825	614,185
Total assets	3,764,015	3,728,447	995,728	1,024,167
Current liabilities	169,660	92,200	96,055	111,103
Long term Liabilities	110,780	123,039	155,852	166,349
Total liabilities	280,440	215,239	251,907	277,452
Net assets				
Invested in capital assets, net of related debt	2,077,335	2,040,327	581,825	614,185
Restricted	13,545	-	38,943	-
Unrestricted (deficit)	1,392,695	1,472,881	123,053	132,530
Total net assets	\$ 3,483,575	\$3,513,208	\$743,821	\$746,715

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENTS DISCUSSION AND ANALYSIS
August 31, 2005

Changes in net assets. The Town's total revenues decreased slightly by approximately \$77,000 (See Table A-2.) Approximately 45 percent of the Town's revenue comes from charges for services, and 26 percent comes from tax collections.

The total cost of all programs and services increased approximately \$83,000 or 3.5 percent. The Town's expenses cover all services performed by its office.

	Table A-2			
	Changes in Town's Net Assets			
	Governmental Activities		Business-Type Activities	
	2005	2004	2005	2004
Revenues				
Program revenues				
Charges for services	\$ 111,869	112,284	\$ 1,066,984	\$1,072,726
Operating grants	136,630	215,940	-	-
General revenues				
Taxes	618,473	555,959	-	-
Licenses and permits	273,288	263,507	-	-
Intergovernmental	68,045	100,808	-	-
Miscellaneous	165,598	86,603	(93,645)	16,324
Total revenues	1,373,903	1,335,101	973,339	1,089,050
Expenses				
General government	533,453	429,014	916,617	856,080
Public safety	392,868	363,643	-	-
Streets	103,153	93,850	-	-
Culture and recreation	85	670	-	-
Sanitation	86,149	40,968	-	-
Economic development	101,869	103,944	-	-
Capital outlay	23,950	28,711	-	-
Debt service expenditures:				
Interest and fiscal charges	5,468	7,259	-	-
Depreciation	156,540	177,860	64,978	72,798
Total expenses	1,403,535	1,245,919	981,595	928,878
Increase (decrease) in net assets	\$ (29,632)	\$ 89,182	\$ (8,256)	\$ 160,172

Governmental Activities

Revenues for the Town's governmental activities increased 2.9 percent, while total expenses increased 12 percent.

Business-type Activities

Costs of services remained relatively constant. Since revenues are cost driven, revenues remained constant also. Transfers of approximately \$95,000 from the gas and sewer funds brought total revenues to a significantly lower level from prior year.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
MANAGEMENTS DISCUSSION AND ANALYSIS
August 31, 2005

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed the year, its governmental funds reported a combined fund balance of \$1.5 million while the enterprise funds reported a combined fund balance of approximately \$743,000.

General Fund Budgetary Highlights

Over the course of the year, the Town Council revised the Town budget to adjust various revenues and expenses.

With these adjustments, actual expenditures were approximately \$21,000 under final budget amounts.

CAPITAL ASSETS

At the end of 2005, the Town had invested approximately \$2.7 million in a broad range of capital assets, including police equipment, buildings, vehicles, and gas and water systems. (See Table A-3) This amount represents a net decrease (including additions and deductions) of approximately \$91,000, or 3.0 percent, over last year.

Table A-3 Town's Capital Assets					
	Governmental Activities		Business Activities		
	2005	2004	2005	2004	
Improvements other than buildings	\$ 1,288,244	\$1,380,293	\$ -	\$ -	
Buildings	635,598	629,218	59,243	59,243	
Equipment	1,566,854	1,473,769	2,147,768	2,148,616	
Land	528,886	528,886	6,523	6,523	
Accumulated depreciation	(1,918,086)	(1,848,799)	(1,631,709)	(1,603,084)	
Total	\$ 2,101,496	\$ 2,163,367	\$ 581,825	\$ 611,298	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town 's major sources of revenue for the general and sales tax funds are comprised from sales tax, licenses and permits, and charges for services. The economy is not expected to generate any significant growth.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Melinda Foil, PO Box 400, St. Francisville, LA 70775.

TOWN OF ST. FRANCISVILLE**St. Francisville, LA****STATEMENT OF NET ASSETS****AUGUST 31, 2005**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 333,692	\$ 181,139	\$ 514,831
Investments	1,226,068	-	1,226,068
Accounts receivable	40,114	99,439	139,553
Interest receivable	838	-	838
Due from other governmental units	48,262	-	48,262
Prepaid insurance	-	15,000	15,000
Cash - restricted	13,545	118,325	131,870
Land, building , and equipment - net	<u>2,101,496</u>	<u>581,825</u>	<u>2,683,321</u>
 TOTAL ASSETS	 <u>3,764,015</u>	 <u>995,728</u>	 <u>4,759,743</u>
 <u>LIABILITIES</u>			
Accounts payable	45,485	13,771	59,256
Accrued payables	118,816	87,643	206,459
Long-term liabilities			
Interfund balance	5,359	(5,359)	-
Due within one year	28,034	20,000	48,034
Due in more than one year	<u>82,746</u>	<u>135,852</u>	<u>218,598</u>
 TOTAL LIABILITIES	 <u>280,440</u>	 <u>251,907</u>	 <u>532,347</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	2,077,335	581,825	2,659,160
Restricted	13,545	38,943	52,488
Unrestricted	<u>1,392,695</u>	<u>123,053</u>	<u>1,515,748</u>
 TOTAL NET ASSETS	 <u>\$ 3,483,575</u>	 <u>\$ 743,821</u>	 <u>\$ 4,227,396</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE

St. Francisville, LA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2005

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities					
General government	\$ 478,283	\$ -	\$ -	\$ (478,283)	\$ -
Public safety	441,084	-	17,622	(423,462)	-
Streets	110,108	-	-	(110,108)	-
Sanitation	86,149	111,869	-	25,720	-
Culture and recreation	85	-	-	(85)	-
Economic development	101,869	-	94,008	(7,861)	-
Capital outlay	23,950	-	25,000	1,050	-
Debt service:					
Interest and fiscal charges	5,468	-	-	(5,468)	-
Depreciation	156,540	-	-	(156,540)	-
Total governmental activities	<u>1,403,536</u>	<u>111,869</u>	<u>136,630</u>	<u>(1,155,037)</u>	<u>(1,155,037)</u>
Business-type activities					
Gas services	672,052	683,590	-	-	11,538
Water services	309,541	383,394	-	-	73,853
Total business-type activities	<u>981,593</u>	<u>1,066,984</u>	<u>-</u>	<u>-</u>	<u>85,391</u>
General revenues					
Ad valorem taxes				74,076	-
Sales and use taxes				544,397	-
Licenses, permits, and franchise revenue				273,288	-
Intergovernmental revenue				68,045	-
Earnings on investments				31,253	5,662
Other				55,390	-
Loss on disposition of fixed assets				(16,825)	(3,529)
Transfers (to) from other funds				95,780	(95,780)
Total general revenues				<u>1,125,404</u>	<u>(93,647)</u>
					<u>1,031,757</u>
Change in net assets				(29,633)	(8,256)
Net Assets - September 1, 2004				3,513,207	752,077
Net Assets - August 31, 2005				<u>\$ 3,483,574</u>	<u>\$ 743,821</u>
					<u>\$ 4,227,395</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
GOVERNMENTAL FUNDS
BALANCE SHEET
AUGUST 31, 2005

	General	Sales and Use Tax	Economic Development	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 19,492	\$ 268,384	\$ 45,819	\$ 333,695
Investments	1,226,068	-	-	1,226,068
Accounts receivable	25,028	15,088	-	40,116
Interest receivable	838	-	-	838
Due from other governmental units	1,348	46,914	-	48,262
Due from other funds	7,624	3,380	-	11,004
Cash - restricted	-	13,545	-	13,545
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,280,398</u>	<u>\$ 347,311</u>	<u>\$ 45,819</u>	<u>\$ 1,673,528</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Salaries, payroll deductions, and withholdings payable	97,172	19,847	1,797	\$ 118,816
Accounts payable	10,225	28,626	6,634	45,485
Due to other funds	8,227	3,350	4,788	16,365
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>115,624</u>	<u>51,823</u>	<u>13,219</u>	<u>180,666</u>
Fund balances:				
Unreserved, undesignated	<u>1,164,774</u>	<u>295,488</u>	<u>32,600</u>	<u>1,492,862</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>1,164,774</u>	<u>295,488</u>	<u>32,600</u>	<u>1,492,862</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,280,398</u>	<u>\$ 347,311</u>	<u>\$ 45,819</u>	<u>\$ 1,673,528</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2005

Total fund balances - governmental funds		\$ 1,492,862
Cost of capital assets at August 31, 2005	4,019,582	
Less: accumulated depreciation as of August 31, 2005	<u>(1,918,086)</u>	2,101,496
Long-term liabilities at August 31, 2005		
Certificates of indebtedness	(73,000)	
Obligations under capital lease	(24,161)	
Compensated absences payable	<u>(13,619)</u>	<u>(110,780)</u>
Total net assets at August 31, 2005 - governmental activities		<u>\$ 3,483,578</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED AUGUST 31, 2005

	General	Sales and Use Tax	Economic Development	Total
<u>REVENUES</u>				
Taxes	\$ 74,076	\$ 544,397	\$ -	\$ 618,473
Grants	42,622	-	94,008	136,630
Licenses and permits	156,604	-	-	156,604
Intergovernmental	55,011	-	-	55,011
Charges for services	-	111,869	-	111,869
Fines	13,034	-	-	13,034
Other	185,742	3,284	14,301	203,327
Total revenues	<u>527,089</u>	<u>659,550</u>	<u>108,309</u>	<u>1,294,948</u>
<u>EXPENDITURES</u>				
General government	100,142	371,209	-	471,351
Public safety	441,085	-	-	441,085
Streets	110,107	-	-	110,107
Sanitation	-	86,149	-	86,149
Culture, recreation and economic development	85	-	101,869	101,954
Capital outlay	44,909	90,535	-	135,444
Debt service:				
Principal or lease retirement	13,130	24,651	-	37,781
Interest and fiscal charges	924	4,544	-	5,468
Total expenditures	<u>710,382</u>	<u>577,088</u>	<u>101,869</u>	<u>1,389,339</u>
Excess of revenues over (under) expenditures	<u>(183,293)</u>	<u>82,462</u>	<u>6,440</u>	<u>(94,391)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	317,128	2,881	80	320,089
Operating transfers out	(12,198)	(205,000)	(7,110)	(224,308)
Capital lease proceeds	-	23,950	-	23,950
Total other financing sources (uses)	<u>304,930</u>	<u>(178,169)</u>	<u>(7,030)</u>	<u>119,731</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>121,637</u>	<u>(95,707)</u>	<u>(590)</u>	<u>25,340</u>
<u>FUND BALANCE</u>				
Beginning of year	1,043,137	391,195	33,190	1,467,522
End of year	<u>\$ 1,164,774</u>	<u>\$ 295,488</u>	<u>\$ 32,600</u>	<u>\$ 1,492,862</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2005

Total net changes in fund balance - governmental funds		\$	25,340
Capital assets:			
Capital outlay capitalized	111,493		
Depreciation expense for the year ended August 31, 2005	(156,540)		
Loss on disposition of fixed assets	(16,825)		
Other losses	<u>(5,359)</u>		(67,231)
Long-term debt:			
Principal portion of debt service payments	37,781		
Excess of compensated absences used over amounts earned	(1,572)		
Capital lease proceeds	<u>(23,950)</u>		<u>12,259</u>
Change in net assets - governmental activities		\$	<u>(29,632)</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2005

<u>ASSETS</u>	<u>Gas Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total</u>
<u>CURRENT</u>			
Cash	\$ 79,664	\$ 101,475	\$ 181,139
Accounts receivable - net of allowance for uncollectible accounts	55,483	43,956	99,439
Due from other funds	22,693	5,406	28,099
Prepaid insurance	7,500	7,500	15,000
Total current assets	165,340	158,337	323,677
<u>RESTRICTED CASH</u>			
Meter Deposit Fund	49,891	26,517	76,408
Debt Sinking Account	-	14,123	14,123
Debt Contingency Account	-	27,794	27,794
Total restricted assets	49,891	68,434	118,325
<u>FIXED ASSETS</u>			
Gas system and equipment - net	158,062	-	158,062
Water system and equipment - net	-	423,763	423,763
Total fixed assets	158,062	423,763	581,825
TOTAL ASSETS	\$ 373,293	\$ 650,534	\$ 1,023,827

The accompanying notes are an integral part of this statement.

	Gas Utility Fund	Water Utility Fund	Total
<u>LIABILITIES</u>			
<u>CURRENT</u>			
Payable from current assets:			
Accounts payable	\$ 4,393	\$ 9,378	\$ 13,771
Accrued expenses	9,765	10,681	20,446
Due to other funds	-	22,740	22,740
Accrued compensated absences	7,148	1,152	8,300
Payable from restricted assets:			
Bonds payable in one year	-	20,000	20,000
Accrued interest payable	-	5,776	5,776
Customer deposits	37,476	15,645	53,121
Total current liabilities	<u>58,782</u>	<u>85,372</u>	<u>144,154</u>
<u>LONG-TERM LIABILITIES</u>			
Bonds payable after one year	-	117,000	117,000
Notes payable after one year	18,852	-	18,852
Total long-term liabilities	<u>18,852</u>	<u>117,000</u>	<u>135,852</u>
Total liabilities	<u>77,634</u>	<u>202,372</u>	<u>280,006</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	158,062	423,763	581,825
Restricted	12,415	26,528	38,943
Unrestricted	<u>125,182</u>	<u>(2,129)</u>	<u>123,053</u>
Total net assets	<u>295,659</u>	<u>448,162</u>	<u>743,821</u>
TOTAL LIABILITIES AND NET ASSETS	<u>373,293</u>	<u>650,534</u>	<u>1,023,827</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2005

	Gas Utility Fund	Water Utility Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 683,590	\$ 383,394	\$ 1,066,984
<u>OPERATING EXPENSES</u>			
Gas - purchases	385,690	-	385,690
Depreciation	22,208	42,770	64,978
Other	262,865	259,359	522,224
Total operating expenses	670,763	302,129	972,892
Operating income	12,827	81,265	94,092
<u>NON-OPERATING REVENUES</u>			
<u>(EXPENSES)</u>			
Investment earnings	2,621	3,038	5,659
Interest expense	(1,288)	(7,410)	(8,698)
Total non-operating revenues (expenses)	1,333	(4,372)	(3,039)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	2,628	6,610	9,238
Operating transfers out	(40,000)	(65,018)	(105,018)
Loss on disposal of fixed assets	(1,935)	(1,594)	(3,529)
	(39,307)	(60,002)	(99,309)
Net income (loss)	(25,147)	16,891	(8,256)
<u>NET ASSETS</u>			
Beginning of year	320,806	431,271	752,077
End of year	\$ 295,659	\$ 448,162	\$ 743,821

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2005 and 2004

	Gas Utility Fund	Water Utility Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 675,720	\$ 389,931	\$ 1,065,651
Cash payments to suppliers for goods and services	(662,889)	(258,559)	(921,448)
Cash payments to employees for services	(1,309)	-	(1,309)
Net cash provided by operating activities	<u>11,522</u>	<u>131,372</u>	<u>142,894</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers to other funds	<u>(37,372)</u>	<u>(58,408)</u>	<u>(95,780)</u>
Net cash used for noncapital financing activities	<u>(37,372)</u>	<u>(58,408)</u>	<u>(95,780)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:			
Principal paid on revenue bond maturities	(12,617)	(19,000)	(31,617)
Lease proceeds received	21,120	-	21,120
Acquisition of capital assets	(32,626)	(3,521)	(36,147)
Interest paid on revenue bonds and leases	<u>(1,288)</u>	<u>(7,410)</u>	<u>(8,698)</u>
Net cash used for capital and related financing	<u>(25,411)</u>	<u>(29,931)</u>	<u>(55,342)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends on investments	<u>2,625</u>	<u>3,038</u>	<u>5,663</u>
Net cash provided by investing activities	<u>2,625</u>	<u>3,038</u>	<u>5,663</u>
NET INCREASE (DECREASE) IN CASH	(48,636)	46,071	(2,565)
CASH AT BEGINNING OF YEAR	<u>128,300</u>	<u>55,404</u>	<u>183,704</u>
CASH AT END OF YEAR	<u>\$ 79,664</u>	<u>\$ 101,475</u>	<u>\$ 181,139</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2005 and 2004

	<u>Gas Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 12,827	\$ 81,265	\$ 94,092
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	22,208	42,770	64,978
Change in assets and liabilities:			
Accounts receivable	(7,021)	8,274	1,253
Prepaid insurance	-	-	-
Accounts payable	(14,334)	800	(13,534)
Accrued payables	(1,309)	604	(705)
Meter deposits	(849)	(450)	(1,299)
Other	-	(1,891)	(1,891)
Total adjustments	<u>(1,305)</u>	<u>50,107</u>	<u>48,802</u>
Net cash provided by operating activities	<u>\$ 11,522</u>	<u>\$ 131,372</u>	<u>\$ 142,894</u>

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of St. Francisville, Louisiana dates from 1785; the date the monastery was built in honor of St. Francis of Assisi.

The Town adopted the provisions of the Lawrason Act on January 23, 1956, and operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the Town of St. Francisville, Louisiana conform to accounting principles generally accepted in the United States of America as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

A. Financial Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

B. Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types as follows:

Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds - Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Funds - Enterprise Funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Proprietary Fund type are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Proprietary Fund type's operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Those revenues susceptible to accrual are sales taxes, property taxes, intergovernmental revenues and interest revenue. Fines, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

D. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, Debt Service, and Proprietary Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

The level of budgetary control is total appropriations.

E. Investments

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

Investments are stated at market value.

Investment income includes interest and dividends earned, realized gains and losses and unrealized gains and losses (changes in market value.)

F. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

G. Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

H. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

I. Comparative Data

Comparative total data for the prior year have been presented in the supplementary information, financial statements of individual funds, in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read.

J. Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash.

K. Cash

Cash includes demand deposits and interest bearing demand deposits. Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union or the laws of the United States. Further, the Town may deposit funds in time deposits or certificates of deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Reclassifications

Certain 2004 balances have been reclassified to conform to the 2005 financial statement presentation.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

N. Fixed Assets

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas Plant	33 years
Buildings	20 years
Office Equipment	5-10 years
Automotive Equipment	5 years

All fixed assets are stated at historical cost.

2. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of February 28 of each year. Taxes are levied and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 2 of the following year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of West Feliciana Parish. For the year ended August 31, 2005, taxes of 5.66 mills were levied on property with assessed valuations totaling \$13,207,131 and were dedicated for general purposes.

Total taxes levied were \$74,752. Substantially all taxes levied have been collected as of August 31, 2005.

3. Due from Other Governmental Units

Amounts due from other governmental units at August 31, 2005 consisted of the following:

Beer taxes – State of Louisiana	\$ 1,348
West Feliciana Parish School Board	<u>46,914</u>
	<u>\$ 48,262</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

4. Capital Assets

A summary of changes in general capital assets follows:

	<u>Balance</u> <u>Sept 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Aug 31, 2005</u>
Improvements other than buildings	\$ 1,380,293	11,061	(103,110)	1,288,244
Buildings	629,218	6,380	-	635,598
Equipment	1,473,769	93,085	-	1,566,854
Land	<u>528,886</u>	<u>-</u>	<u>-</u>	<u>528,886</u>
	4,012,166	110,526	(103,110)	4,019,582
Less: Accumulated Depreciation	(1,848,799)	(156,540)	87,253	(1,918,086)
Net Capital Assets	<u>\$2,163,367</u>	<u>\$ (46,014)</u>	<u>\$ (15,857)</u>	<u>\$ 2,101,496</u>

A summary of proprietary fund type property, plant and equipment at August 31, 2005 follows:

Land	\$ 6,523
Building	59,243
Office and other equipment	<u>2,147,768</u>
	2,213,534
Less: Accumulated depreciation	(1,631,709)
Net	<u>\$ 581,825</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

5. Changes in Long-Term Debt

The following is a summary of long-term debt transactions for the year ended August 31, 2005:

	Payable September 1, 2004	Additions	Deletions	Payable August 31, 2005
Certificates of Indebtedness				
Series 1999	86,000	-	13,000	73,000
Capital Lease – Trash Truck	5,771	-	5,771	-
Capital Lease – Police Car	13,781	-	7,690	6,091
Capital Lease – Police Car	5,440	-	5,440	-
Capital Lease – Police Car	-	23,950	5,880	18,070
Capital Lease – Gas Truck	10,349	-	5,751	4,598
Capital Lease – Gas Truck	-	21,120	6,866	14,254
Revenue Bonds	156,000	-	19,000	137,000
Accumulated Vacation	12,047	1,572	-	13,619
	<u>\$ 289,388</u>	<u>\$ 46,642</u>	<u>\$ 69,399</u>	<u>\$ 266,632</u>

Bonds payable at August 31, 2005 are comprised of the following individual issues:

GENERAL LONG-TERM DEBT

Certificate of Indebtedness

\$130,000, Certificate of Indebtedness – Series 1999, due in approximate bi-annual installments of \$17,000 through October, 2009 including interest at 5.2%. Secured by a pledge of the Town's sales tax revenues.

\$ 73,000

Capital Lease – Police Car

\$23,100 Capital Lease, due in quarterly installments of approximately \$2,095 through May, 2006, including interest at 6.30%. Secured by the police car.

\$ 6,091

Capital Lease – Police Car

\$23,950 Capital Lease, due in quarterly installments of approximately \$2,139 through September, 2007, including interest at 5.15%. Secured by the police car.

\$ 18,070

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

5. Changes in Long-Term Debt (continued)

ENTERPRISE FUND

Revenue Bonds

\$228,000 Water Revenue bonds dated September 28, 1999;
due in approximate annual installments of \$25,600 through
April, 2011 including interest at 4.75%. Secured by a pledge of
the Town's water revenues. \$ 137,000

Capital Lease – Gas Truck

\$22,500 Capital Lease, due in quarterly installments of
approximately \$1,590 through May, 2006, including
interest at 7.40%. Secured by the gas truck. \$ 4,598

Capital Lease – Gas Truck

\$21,120 Capital Lease, due in quarterly installments of
approximately \$1,886 through August, 2007, including
interest at 5.15%. Secured by the gas truck. \$ 14,254

The annual requirements to amortize all debt outstanding as of August 31, 2005 including interest of approximately \$36,000 are as follows:

<u>Year Ending</u> <u>August 31,</u>	<u>Obligations</u> <u>Indebtedness</u> <u>Series 1999</u>	<u>Under</u> <u>Capital Lease</u>	<u>Revenue</u> <u>Bonds</u>	<u>Total</u>
2006	\$ 16,458	\$ 27,156	\$ 26,508	\$ 70,122
2007	16,756	16,103	26,558	59,417
2008	17,002	2,139	26,560	45,701
2009	16,222	-	27,515	43,737
2010	16,416	-	27,375	43,791
Thereafter	-	-	26,188	26,188
	<u>\$ 82,854</u>	<u>\$ 45,398</u>	<u>\$ 160,704</u>	<u>\$ 288,956</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

6. Dedicated Revenues and Restrictions

Revenue Bonds:

Under the terms of the bond indenture on outstanding Water Revenue bonds, certain income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the water system is dedicated to the retirement of said bonds, and are to be set aside into the following special accounts after provision has been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the system:

A monthly deposit into the "Water Revenue Bond and Interest Sinking Fund" account in an amount equal to 1/6th of the interest falling due on the next interest payment date and one-twelfth of the principal falling due on the next principal payment date for the bonds.

A monthly deposit of 5% of the amount paid to the Sinking Fund into the "Water Revenue Depreciation and Contingency Fund" account for the purpose of caring for depreciation, extensions, additions, improvements and replacements necessary to operate properly on the system. Such funds may also be used for the payment of bonds for which there is not sufficient money in the "Water Revenue Bond and Interest Sinking Fund" account.

The Town of St. Francisville has complied with the above provisions.

Certificate of Indebtedness:

Under the terms of the certificate of indebtedness, income and revenues of every nature earned by the Town is dedicated to the retirement of said certificate and are to be set aside into the following special account:

A monthly deposit into the "Town of St. Francisville, State of Louisiana, Certificates of Indebtedness, Series 1999, Sinking Fund" account a sum of 1/6 of the interest falling due on the next interest payment date and a sum equal to 1/12 of the principal falling due on the next principal date.

The Town of St. Francisville has complied with the above provisions.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

7. Segments of Enterprise Activities

Two services, gas and water, are provided by the Town and are financed by user charges. The significant financial data for the year ended August 31, 2005 for those two services are as follows:

	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	686,218	390,004	1,076,222
Operating expenses (excluding depreciation)	(690,490)	(325,973)	(1,016,463)
Depreciation	(22,208)	(42,770)	(64,978)
Operating income (loss)	(26,480)	21,261	(5,219)
Interest income	2,625	3,038	5,663
Interest expense	(1,288)	(7,410)	(8,698)
Net income (loss)	(25,143)	16,889	(8,254)
Property, plant & equipment additions (deletions)	13,516	17,252	30,768
Net working capital	106,558	72,965	179,523
Total assets	373,293	650,534	1,023,827
Revenue bonds payable	-	117,000	117,000
Net Assets	295,659	448,162	743,821

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

8. Defined Benefit Pension Plan

Substantially all employees of the Town of St. Francisville are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of St. Francisville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Francisville contributions to the System under Plan B for the years ending August 31, 2005, 2004 and 2003 were approximately \$42,053, \$34,910, and \$29,650, respectively.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

8. Defined Benefit Pension Plan (continued)

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8550 United Plaza Suite 501, Baton Rouge, Louisiana 70809-0200, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 16.25% of annual covered payroll. The contribution requirements of plan members and the Town of St. Francisville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Francisville contributions to the System for the years ending August 31, 2005, 2004, and 2003 were approximately \$48,080, \$34,503, and \$18,300, respectively.

9. Contingencies

The Town has lawsuits pending involving various matters at August 31, 2005. In the opinion of management and legal counsel, the Town has adequate legal defenses for the issues raised and the outcome of these matters will not have a significant effect on the Town's financial position at August 31, 2005.

10. Cash and Investments

At year-end, the carrying amount of the Town's deposits was \$646,701 and the bank balance was \$694,734. Of the bank balance, \$255,496 was covered by federal depository insurance and \$439,239 was covered by collateral held by the pledging bank's agent in the Town's name.

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department of agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, but not in the system's name.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
NOTES TO FINANCIAL STATEMENTS

10. Cash and Investments (continued)

Investments are stated at market value. The Town's investments consist of the following.

Louisiana Asset Management Pool	\$ 293,484
FNMA	536,461
GNMA	333,614
Mutual Fund	<u>62,509</u>
Total presented	<u>\$ 1,226,068</u>

11. Interfund Receivables and Payables

The following schedule as of August 31, 2005 represents interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 7,624	\$ 8,225
Sales and Use Tax Fund	3,380	3,350
Economic Development Fund	-	4,788
Enterprise:		
Gas Utility	22,693	-
Water Utility	<u>5,406</u>	<u>22,740</u>
	<u>\$ 39,103</u>	<u>\$ 39,103</u>

12. Grant Revenue

The following is a listing of grant monies received as of August 31, 2005:

Louisiana Commission on Law Enforcement And Administration of Criminal Justice – General Fund	\$ 17,622
Federal Grants	<u>\$ 25,000</u>
Total presented	<u>\$ 42,622</u>

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

SALES TAX FUND

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system. All remaining proceeds from the tax may be used by the Town for any lawful purposes.

ECONOMIC DEVELOPMENT FUND

This fund accounts for the Town's expenditures to promote economic development and tourism.

ENTERPRISE FUNDS

GAS FUND

The Gas Fund is used to account for the activities of providing natural gas to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

WATER FUND

The Water Fund is used to account for the activities of providing water services to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005

	Original	Final	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>				
Ad valorem taxes	\$ 50,000	\$ 74,000	\$ 74,076	\$ 76
Occupational licenses and permits	150,000	150,000	156,604	6,604
Intergovernmental				
Fire insurance	-	-	5,101	5,101
Beer	10,000	8,000	5,338	(2,662)
State Revenue Sharing	8,000	3,500	2,686	(814)
Video Poker	50,000	42,000	34,440	(7,560)
DOTD maintenance	7,500	7,500	7,446	(54)
Grants	10,000	45,000	42,622	(2,378)
Court fines	16,500	10,500	13,034	2,534
Other Revenue				
Hospital Detail	22,000	22,000	23,256	1,256
Utility franchise	100,000	110,000	107,411	(2,589)
Miscellaneous	15,000	20,000	14,549	(5,451)
Cable franchise	-	-	9,273	9,273
Interest	20,000	15,000	31,253	16,253
Total revenues	459,000	507,500	527,089	19,589
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
Insurance	-	-	54,441	(54,441)
Professional services	5,000	-	5,543	(5,543)
Town hall	5,000	3,000	2,974	26
Printing and publishing	-	-	3,934	(3,934)
Interest	-	-	924	(924)
Grant expenditures	5,000	-	24	(24)
Other	3,000	3,500	33,226	(29,726)
Total General	18,000	6,500	101,066	(94,566)
<u>PUBLIC SAFETY</u>				
Police:				
Salaries - Chief of Police	35,000	35,000	36,011	(1,011)
Salaries - Policemen	144,000	155,000	159,532	(4,532)
Salaries - Office	36,000	25,000	31,468	(6,468)
Dog catcher fees	4,000	4,000	4,239	(239)
Education	5,000	5,000	4,923	77
Employee insurance	60,000	60,000	-	60,000
Payroll taxes	40,000	40,000	52,468	(12,468)
Retirement	35,000	50,000	47,669	2,331
Gasoline	12,000	12,000	14,160	(2,160)
Utilities	6,000	5,000	3,536	1,464
Grant expenditures	-	-	3,534	(3,534)
Travel	2,500	2,500	3,889	(1,389)
Cell phone	3,000	4,500	4,277	223
Supplies	12,000	12,000	5,971	6,029
Other	20,000	25,000	3,240	21,760
Total Police	414,500	435,000	374,917	60,083

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005

	Original	Final	Actual	Variance - Favorable (Unfavorable)
<u>FIRE:</u>				
Salaries and wages	23,000	17,000	18,703	(1,703)
Payroll taxes	5,000	5,000	4,305	695
Insurance	7,500	7,500	178	7,322
Utilities	14,000	30,000	-	30,000
Other	50,000	27,500	42,982	(15,482)
Total Fire	99,500	87,000	66,168	20,832
Total Public Safety	514,000	522,000	441,085	80,915
<u>STREETS</u>				
Salaries and wages	45,500	45,500	46,340	(840)
Payroll taxes	8,000	8,000	10,494	(2,494)
Retirement	4,000	4,000	-	4,000
Electricity	40,000	40,000	42,161	(2,161)
Repairs and maintenance	1,500	10,000	1,733	8,267
Employee insurance	15,000	15,000	-	15,000
Garbage truck	4,000	1,000	-	1,000
Dump truck	5,000	-	9,379	(9,379)
All other	11,000	20,000	-	20,000
Total Streets	134,000	143,500	110,107	33,393
<u>CULTURE AND RECREATION</u>				
Other	-	-	85	(85)
<u>CAPITAL OUTLAY:</u>				
Public Safety:				
General Government	60,000	15,000	44,909	(29,909)
<u>DEBT SERVICE:</u>				
Capital lease payments	-	45,000	13,130	31,870
<u>TOTAL EXPENDITURES</u>	<u>726,000</u>	<u>732,000</u>	<u>710,382</u>	<u>21,618</u>
Excess of revenues over (under) expenditures	(267,000)	(224,500)	(183,293)	41,207
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	195,000	312,000	317,128	5,128
Transfers out	-	(15,000)	(12,198)	2,802
	195,000	297,000	304,930	7,930
Excess of revenues and other sources over (under) expenditures and other uses	(72,000)	72,500	121,637	49,137
<u>FUND BALANCE</u>				
Beginning of year	1,043,137	1,043,137	1,043,137	-
End of year	<u>\$ 971,137</u>	<u>\$ 1,115,637</u>	<u>\$ 1,164,774</u>	<u>\$ 49,137</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005

	Original	Final	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes:				
Sales tax revenues	\$ 500,000	\$ 525,000	\$ 544,397	\$ 19,397
Charges for services	110,000	110,000	111,869	1,869
Other	4,000	3,000	3,284	284
Total revenues	<u>614,000</u>	<u>638,000</u>	<u>659,550</u>	<u>21,550</u>
<u>EXPENDITURES</u>				
General government				
Executive per diem	-	-	31,438	(31,438)
Financial administration:				
Insurance	60,000	60,000	56,809	3,191
Interest expense	-	-	4,544	(4,544)
Employee insurance	-	-	3,196	(3,196)
Professional services	18,500	18,500	22,295	(3,795)
Salaries	103,000	83,000	166,130	(83,130)
Town hall	15,000	20,000	19,834	166
Retirement	7,500	9,000	17,583	(8,583)
Office supplies	8,000	13,000	1,681	11,319
Printing and publishing	-	-	700	(700)
Sales tax collector	18,000	18,000	18,339	(339)
All other	20,000	30,000	25,799	4,201
Total general government	<u>250,000</u>	<u>251,500</u>	<u>368,348</u>	<u>(116,848)</u>
Sanitation				
Salaries	86,000	106,000	-	106,000
Utilities	20,000	20,000	20,053	(53)
Repairs and maintenance	20,000	40,000	54,377	(14,377)
Sewer truck	5,000	5,000	5,722	(722)
Sewer analysis	3,000	5,000	4,614	386
Uniforms	1,500	1,500	1,383	117
Miscellaneous	18,500	35,500	-	35,500
Total sanitation	<u>154,000</u>	<u>213,000</u>	<u>86,149</u>	<u>91,351</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Capital Outlay				
General government	-	50,000	90,535	(40,535)
Debt Service				
Debt payments	-	-	24,651	(24,651)
Capital lease payments	-	-	-	-
	-	-	24,651	(24,651)
Total expenditures	<u>404,000</u>	<u>514,500</u>	<u>569,683</u>	<u>(55,183)</u>
Excess of revenues over (under) expenditures	210,000	123,500	89,867	33,633
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	-	2,881	2,881
Operating transfers out	(210,000)	(190,000)	(205,000)	15,000
Capital lease proceeds	-	-	23,950	23,950
Excess of revenues over (under) expenditures and other uses	-	(66,500)	(88,302)	21,802
<u>FUND BALANCE</u>				
Beginning of year	<u>391,195</u>	<u>391,195</u>	<u>391,195</u>	<u>-</u>
End of year	<u>\$ 391,195</u>	<u>\$ 324,695</u>	<u>\$ 302,893</u>	<u>\$ 21,802</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes:				
Sales tax revenues	\$ 90,000	\$ 65,000	\$ -	\$ (65,000)
Grants	-	-	94,008	94,008
Charges for services	-	-	-	-
Other	23,000	10,500	14,301	3,801
Total revenues	<u>113,000</u>	<u>75,500</u>	<u>108,309</u>	<u>32,809</u>
<u>EXPENDITURES</u>				
General government				
Executive per diem	-	-	-	-
Financial administration:				
Insurance	-	-	-	-
Interest expense	-	-	-	-
Employee insurance	-	-	-	-
Professional services	-	-	-	-
Salaries	-	-	-	-
Town hall	-	-	-	-
Retirement	-	-	-	-
Office supplies	-	-	-	-
Printing and publishing	-	-	-	-
Sales tax collector	-	-	-	-
All other	112,400	116,000	101,744	14,256
Total general government	<u>112,400</u>	<u>116,000</u>	<u>101,744</u>	<u>14,256</u>
Sanitation				
Salaries	-	-	-	-
Utilities	-	-	-	-
Repairs and maintenance	-	-	-	-
Sewer truck	-	-	-	-
Sewer analysis	-	-	-	-
Uniforms	-	-	-	-
Total sanitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005

	2005			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
Culture and Recreation				
Ball park	-	-	125	(125)
Capital Outlay				
General government	-	-	-	-
Debt Service				
Debt payments	-	-	-	-
Capital lease payments	-	-	-	-
Total expenditures	<u>112,400</u>	<u>116,000</u>	<u>101,869</u>	<u>14,131</u>
Excess of revenues over (under) expenditures	600	(40,500)	6,440	46,940
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	15,000	80	14,920
Operating transfers out	-	(7,000)	(7,110)	110
Police bond proceeds	-	-	-	-
Capital lease proceeds	-	-	-	-
Excess of revenues over (under) expenditures and other uses	<u>600</u>	<u>(32,500)</u>	<u>(590)</u>	<u>61,970</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>33,190</u>	<u>33,190</u>	<u>33,190</u>	-
End of year	<u>\$ 33,790</u>	<u>\$ 690</u>	<u>\$ 32,600</u>	<u>\$ 61,970</u>

FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ 19,492	\$ 5,611
Due from other governmental units	1,348	4,100
Investments	1,226,068	1,077,323
Interest receivable	838	-
Due from other funds	7,624	7,624
Other receivables	25,028	18,550
	<u> </u>	<u> </u>
Total assets	<u>\$ 1,280,398</u>	<u>\$ 1,113,208</u>

LIABILITIES AND FUND BALANCE

Accounts payable	10,225	\$ 4,172
Due to other funds	8,227	8,225
Accrued payables	97,172	57,674
	<u> </u>	<u> </u>
Total liabilities	115,624	70,071
Fund balance - undesignated	1,164,774	1,043,137
	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 1,280,398</u>	<u>\$ 1,113,208</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED AUGUST 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>REVENUES</u>		
Ad valorem taxes	\$ 74,076	\$ 54,501
Occupational licenses and permits	156,604	154,866
Intergovernmental		
Fire insurance	5,101	4,868
Beer	5,338	12,851
State Revenue Sharing	2,686	6,244
Video Poker	34,440	47,327
DOTD maintenance	7,446	14,922
Grants	42,622	110,345
Court fines	13,034	14,596
Other Revenue		
Hospital Detail	23,256	23,940
Utility franchise	107,411	104,159
Miscellaneous	14,549	14,651
Cable franchise	9,273	4,482
Interest	31,253	19,040
Total revenues	<u>527,089</u>	<u>586,792</u>
<u>EXPENDITURES</u>		
<u>GENERAL GOVERNMENT</u>		
Insurance	54,441	56,454
Payroll taxes	-	21,175
Salaries	-	-
Professional services	5,543	5,040
Town hall	2,974	3,354
Postage	-	18
Printing and publishing	3,934	2,794
Interest	924	2,402
Grant expenditures	24	57
Other	33,226	50,679
Total General	<u>101,066</u>	<u>141,973</u>
<u>PUBLIC SAFETY</u>		
Police:		
Salaries - Chief of Police	36,011	33,857
Salaries - Policemen	159,532	138,882
Salaries - Office	31,468	43,824
Dog catcher fees	4,239	4,200
Education	4,923	5,047
Employee insurance	-	-
Payroll taxes	52,468	9,518
Retirement	47,669	35,676
Gasoline	14,160	8,741
Utilities	3,536	4,168
Grant expenditures	3,534	(358)
Travel	3,889	2,720
Cell phone	4,277	4,910
Supplies	5,971	8,867
Other	3,240	2,531
Total Police	<u>374,917</u>	<u>302,583</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED AUGUST 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>FIRE:</u>		
Salaries and wages	18,703	21,386
Payroll taxes	4,305	275
Insurance	178	-
Utilities	-	-
Other	42,982	39,399
Total Fire	<u>66,168</u>	<u>61,060</u>
Total Public Safety	<u>441,085</u>	<u>363,643</u>
<u>STREETS</u>		
Salaries and wages	46,340	45,916
Payroll taxes	10,494	1,471
Retirement	-	-
Electricity	42,161	39,100
Repairs and maintenance	1,733	272
Employee insurance	-	-
Garbage truck	-	3,090
Dump truck	9,379	4,001
All other	-	-
Total Streets	<u>110,107</u>	<u>93,850</u>
<u>CULTURE AND RECREATION</u>		
Other	85	670
Total Culture and Recreation	<u>85</u>	<u>670</u>
<u>CAPITAL OUTLAY:</u>		
Public Safety:		
General Government	44,909	256,957
Police Department	-	-
Fire Department	-	-
Total capital outlay	<u>44,909</u>	<u>256,957</u>
<u>DEBT SERVICE:</u>		
Capital lease payments	<u>13,130</u>	<u>27,106</u>
<u>TOTAL EXPENDITURES</u>	<u>710,382</u>	<u>884,199</u>
Excess of revenues over (under) expenditures	<u>(183,293)</u>	<u>(297,407)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers in	317,128	213,000
Transfers out	<u>(12,198)</u>	<u>-</u>
	<u>304,930</u>	<u>213,000</u>
Excess of revenues and other sources under expenditures and other uses	121,637	(84,407)
<u>FUND BALANCE</u>		
Beginning of year	<u>1,043,137</u>	<u>1,127,544</u>
End of year	<u>\$ 1,164,774</u>	<u>\$ 1,043,137</u>

TOWN OF ST. FRANCISVILLE
St. Francisville, LA
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR 2004

	Sales Tax Fund	Economic Development Fund	Totals	
			2005	2004
<u>ASSETS</u>				
<u>CURRENT</u>				
Cash	\$ 268,384	\$ 45,819	\$ 314,203	\$ 390,638
Accounts receivable	15,088	-	15,088	14,318
Due from other governmental units	46,914	-	46,914	41,000
Due from other funds	3,380	-	3,380	3,380
Total current assets	<u>333,766</u>	<u>45,819</u>	<u>379,585</u>	<u>449,336</u>
<u>RESTRICTED CASH</u>				
Debt Sinking Account	<u>13,545</u>	<u>-</u>	<u>13,545</u>	<u>13,541</u>
Total assets	<u>\$ 347,311</u>	<u>\$ 45,819</u>	<u>\$ 393,130</u>	<u>\$ 462,877</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 28,626	6,634	\$ 35,260	\$ 9,089
Accrued payables	16,928	1,797	18,725	18,346
Accrued interest payable	2,919	-	2,919	2,919
Due to other funds	<u>3,350</u>	<u>4,788</u>	<u>8,138</u>	<u>8,138</u>
Total liabilities	<u>51,823</u>	<u>13,219</u>	<u>65,042</u>	<u>38,492</u>
Fund balance :				
Undesignated	<u>295,488</u>	<u>32,600</u>	<u>328,088</u>	<u>424,385</u>
Total liabilities and fund balance	<u>\$ 347,311</u>	<u>\$ 45,819</u>	<u>\$ 393,130</u>	<u>\$ 462,877</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	Sales Tax Fund	Economic Development Fund	Totals	
			2005	2004
<u>REVENUES</u>				
Taxes:				
Sales tax revenues	\$ 544,397	\$ -	\$ 544,397	\$ 501,458
Grants	-	94,008	94,008	105,595
Charges for services	111,869	-	111,869	112,284
Other	3,284	14,301	17,585	28,972
Total revenues	<u>659,550</u>	<u>108,309</u>	<u>767,859</u>	<u>748,309</u>
<u>EXPENDITURES</u>				
General government				
Executive per diem	31,438	-	31,438	23,882
Financial administration:				
Insurance	56,809	-	56,809	60,177
Interest expense	4,544	-	4,544	4,857
Employee insurance	3,196	-	3,196	2,279
Professional services	22,295	-	22,295	6,841
Salaries	166,130	-	166,130	160,587
Payroll taxes	7,405	-	7,405	-
Town hall	19,834	-	19,834	20,766
Retirement	17,583	-	17,583	14,078
Office supplies	1,681	-	1,681	1,114
Printing and publishing	700	-	700	1,061
Sales tax collector	18,339	-	18,339	17,654
All other	25,799	101,744	127,543	111,560
Total general government	<u>375,753</u>	<u>101,744</u>	<u>477,497</u>	<u>424,856</u>
Sanitation				
Salaries	-	-	-	-
Utilities	20,053	-	20,053	21,909
Repairs and maintenance	54,377	-	54,377	9,149
Sewer truck	5,722	-	5,722	4,967
Sewer analysis	4,614	-	4,614	3,083
Uniforms	1,383	-	1,383	1,860
Total sanitation	<u>86,149</u>	<u>-</u>	<u>86,149</u>	<u>40,968</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	Sales Tax Fund	Economic Development Fund	Totals	
			2005	2004
Culture and Recreation				
Ball park	-	125	125	-
Capital Outlay				
General government	90,535	-	90,535	89,142
Debt Service				
Debt payments	24,651	-	24,651	12,000
Capital lease payments	-	-	-	7,226
	24,651	-	24,651	19,226
Total expenditures	577,088	101,869	678,957	574,192
Excess of revenues over (under) expenditures	82,462	6,440	88,902	174,117
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	2,881	80	2,961	6,311
Operating transfers out	(205,000)	(7,110)	(212,110)	(219,311)
Police bond proceeds	-	-	-	-
Capital lease proceeds	23,950	-	23,950	-
Excess of revenues over (under) expenditures and other uses	(95,707)	(590)	(96,297)	(38,883)
<u>FUND BALANCE</u>				
Beginning of year	391,195	33,190	424,385	463,268
End of year	\$ 295,488	\$ 32,600	\$ 328,088	\$ 424,385

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR 2004

<u>ASSETS</u>	Gas Utility Fund	Water Utility Fund	Totals	
			2005	2004
<u>CURRENT</u>				
Cash	\$ 79,664	\$ 101,475	\$ 181,139	\$ 183,704
Accounts receivable - net of allowance for uncollectible accounts	55,483	43,956	99,439	100,696
Due from other funds	22,693	5,406	28,099	28,099
Prepaid insurance	7,500	7,500	15,000	15,000
Total current assets	165,340	158,337	323,677	327,499
<u>RESTRICTED CASH</u>				
Meter Deposit Fund	49,891	26,517	76,408	70,559
Debt Sinking Account	-	14,123	14,123	13,924
Debt Contingency Account	-	27,794	27,794	26,102
Total restricted assets	49,891	68,434	118,325	110,585
<u>FIXED ASSETS</u>				
Gas system and equipment - net	158,062	-	158,062	149,579
Water system and equipment - net	-	423,763	423,763	464,606
Total fixed assets	158,062	423,763	581,825	614,185
 Total assets	 \$ 373,293	 \$ 650,534	 \$ 1,023,827	 \$ 1,052,269

	Gas Utility Fund	Water Utility Fund	Totals	
			2005	2004
<u>LIABILITIES</u>				
<u>CURRENT</u>				
Payable from current assets:				
Accounts payable	\$ 4,393	\$ 9,378	\$ 13,771	\$ 27,305
Accrued expenses	9,765	10,681	20,446	21,151
Due to other funds	-	22,740	22,740	22,740
Accrued compensated absences	7,148	1,152	8,300	8,300
Payable from restricted assets:				
Bonds payable in one year	-	20,000	20,000	19,000
Notes payable in one year	-	-	-	-
Accrued interest payable	-	5,776	5,776	5,776
Customer deposits	37,476	15,645	53,121	48,571
Total current liabilities	<u>58,782</u>	<u>85,372</u>	<u>144,154</u>	<u>152,843</u>
<u>LONG-TERM LIABILITIES</u>				
Bonds payable after one year	-	117,000	117,000	137,000
Notes payable after one year	18,852	-	18,852	10,349
Total long-term liabilities	<u>18,852</u>	<u>117,000</u>	<u>135,852</u>	<u>147,349</u>
Total liabilities	<u>77,634</u>	<u>202,372</u>	<u>280,006</u>	<u>300,192</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	158,062	423,763	581,825	614,185
Restricted	12,415	26,528	38,943	37,647
Unrestricted	<u>125,182</u>	<u>(2,129)</u>	<u>123,053</u>	<u>100,245</u>
Total net assets	<u>295,659</u>	<u>448,162</u>	<u>743,821</u>	<u>752,077</u>
Total Liabilities and Net Assets	<u>\$ 373,293</u>	<u>\$ 650,534</u>	<u>\$ 1,023,827</u>	<u>\$ 1,052,269</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	Gas Utility Fund	Water Utility Fund	Totals	
			2005	2004
<u>OPERATING REVENUES</u>				
Charges for services	\$ 683,590	\$ 383,394	\$ 1,066,984	\$ 1,086,294
<u>OPERATING EXPENSES</u>				
Gas - purchases	385,690	-	385,690	352,026
Depreciation	22,208	42,770	64,978	72,798
Other	262,865	259,359	522,224	625,958
Total operating expenses	670,763	302,129	972,892	1,050,782
Operating income	12,827	81,265	94,092	35,512
<u>NON-OPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Investment earnings	2,621	3,038	5,659	2,756
Interest expense	(1,288)	(7,410)	(8,698)	(5,316)
Total non-operating revenues (expenses)	1,333	(4,372)	(3,039)	(2,560)
Income (loss) before operating transfers	14,160	76,893	91,053	32,952
<u>OPERATING TRANSFERS</u>				
Operating transfers in	2,628	6,610	9,238	-
Operating transfers out	(40,000)	(65,018)	(105,018)	-
Loss on disposition of fixed assets	(1,935)	(1,594)	(3,529)	-
	(39,307)	(60,002)	(99,309)	-
Net income (loss)	(25,147)	16,891	(8,256)	32,952
<u>NET ASSETS</u>				
Beginning of year	320,806	431,271	752,077	719,125
End of year	\$ 295,659	\$ 448,162	\$ 743,821	\$ 752,077

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
GAS FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	Year Ended August 31, 2005			2004
	Budget	Actual	Variance - Favorable (Unfavorable)	Actual
<u>OPERATING REVENUES</u>				
Charges for services	\$ 650,000	683,590	\$ 33,590	\$ 744,805
Miscellaneous	500	-	(500)	-
Total operating revenues	650,500	683,590	33,090	744,805
<u>OPERATING EXPENSES</u>				
Gas purchases	350,000	385,690	(35,690)	352,026
Salaries and wages	134,000	122,794	11,206	132,214
Insurance	60,000	34,989	25,011	49,596
Employee insurance	-	7,320	(7,320)	9,014
Repairs and maintenance	40,000	30,288	9,712	56,052
Depreciation	7,000	22,208	(15,208)	28,909
Professional services	12,000	8,381	3,619	14,289
Town hall	4,000	4,287	(287)	4,891
Payroll taxes	12,000	9,206	2,794	10,037
Retirement	9,000	11,365	(2,365)	10,609
Utilities	7,000	7,635	(635)	7,172
Truck	-	9,045	(9,045)	5,062
Meter reading service	7,500	6,967	533	7,401
Uniforms	3,000	2,031	969	3,240
Postage	2,000	1,308	692	1,308
Office supplies	2,000	2,151	(151)	1,766
Miscellaneous	3,000	5,098	(2,098)	35,853
Total operating expenses	652,500	670,763	(18,263)	729,439
Operating income (loss)	(2,000)	12,827	14,827	15,366

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
GAS FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	<u>Year Ended August 31, 2005</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>2004</u> <u>Actual</u>
<u>NONOPERATING REVENUES</u>				
<u>AND EXPENSES</u>				
Interest revenue	2,000	2,621	621	1,758
Interest expense	-	(1,288)	(1,288)	-
Total nonoperating revenues (expenses)	2,000	1,333	(667)	1,758
<u>INCOME (LOSS) BEFORE OPERATING</u>				
<u>TRANSFERS</u>	-	14,160	14,160	17,124
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	2,628	2,628	-
Operating transfers out	-	(40,000)	(40,000)	-
Loss on disposition of fixed assets	-	(1,935)	(1,935)	-
<u>NET INCOME (LOSS)</u>	-	(25,147)	(25,147)	17,124
<u>NET ASSETS, beginning</u>	320,806	320,806	-	303,682
<u>NET ASSETS, ending</u>	<u>\$ 320,806</u>	<u>\$ 295,659</u>	<u>\$ (25,147)</u>	<u>\$ 320,806</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
WATER FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	Year Ended August 31, 2005			
	Budget	Actual	Variance - Favorable (Unfavorable)	2004 Actual
<u>OPERATING REVENUES</u>				
Charges for services	\$ 300,000	383,394	\$ 83,394	\$ 341,489
Miscellaneous	2,000	-	(2,000)	-
Total operating revenues	302,000	383,394	81,394	341,489
<u>OPERATING EXPENSES</u>				
Depreciation	40,000	42,770	(2,770)	43,889
Salaries and wages	100,000	112,659	(12,659)	99,223
Insurance	46,000	41,756	4,244	48,255
Employee insurance	-	3,884	(3,884)	3,418
Repairs and maintenance	21,000	18,034	2,966	25,905
Professional services	8,000	5,470	2,530	8,589
Town hall	1,600	1,426	174	1,420
Payroll taxes	9,000	8,420	580	7,533
Retirement	7,500	10,168	(2,668)	7,436
Utilities	25,000	29,789	(4,789)	25,905
Truck	6,000	7,293	(1,293)	7,581
Meter reading service	7,000	6,967	33	7,401
Uniforms	-	4,712	(4,712)	4,350
Postage	1,000	1,143	(143)	1,163
Office supplies	2,000	1,473	527	1,341
Miscellaneous	15,000	6,165	8,835	27,934
Total operating expenses	289,100	302,129	(13,029)	321,343
Operating income (loss)	12,900	81,265	68,365	20,146

TOWN OF ST. FRANCISVILLE, LOUISIANA
St. Francisville, LA
ENTERPRISE FUNDS
WATER FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 2004

	Year Ended August 31, 2005			
	Budget	Actual	Variance - Favorable (Unfavorable)	2004 Actual
<u>NONOPERATING REVENUES</u>				
<u>AND EXPENSES</u>				
Interest revenue	1,000	3,038	2,038	998
Interest expense	(12,000)	(7,410)	4,590	(5,316)
Total nonoperating revenues (expenses)	(11,000)	(4,372)	6,628	(4,318)
<u>INCOME (LOSS) BEFORE OPERATING</u>				
<u>TRANSFERS</u>	1,900	76,893	74,993	15,828
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	-	6,610	6,610	-
Operating transfers out	-	(65,018)	(65,018)	-
Loss on disposition of fixed assets	-	(1,594)	(1,594)	-
	-	(60,002)	(60,002)	-
<u>NET INCOME (LOSS)</u>	1,900	16,891	14,991	15,828
<u>NET ASSETS, beginning</u>	431,271	431,271	-	415,443
<u>NET ASSETS, ending</u>	<u>\$ 433,171</u>	<u>\$ 448,162</u>	<u>\$ 14,991</u>	<u>\$ 431,271</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 2005

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Commercial property	Arthur J. Gallagher	03-07-06	\$2,063,275 limit on Town Hall
Business auto	Arthur J. Gallagher	03-07-06	\$1,000,000 each accident or loss
General liability	Arthur J. Gallagher	03-07-06	\$1,000,000 each loss; \$2,000,000 aggregate
Crime	Arthur J. Gallagher	03-07-06	\$100,000 limit
Public Officials Liability	Arthur J. Gallagher	03-07-06	\$1,000,000 each loss; \$1,000,000 aggregate
Law enforcement officer professional liability	Arthur J. Gallagher	03-07-06	\$1,000,000 each loss; \$2,000,000 aggregate
Employee Benefits Liability	Arthur J. Gallagher	03-07-06	\$1,000,000 each loss
Workers' compensation	La. Municipal Risk Management Agency	10-01-05	Statutory
Surety bonds	Western Surety	10-01-06	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position scheduled bond	Western Surety	06-09-06	\$50,000 mayor; \$50,000 town clerk; \$50,000 bookkeeper; \$50,000 plant controller
Notary Bond	Western Surety	07-11-08	\$5,000 aggregate

TOWN OF ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
AUGUST 31, 2005

William H. D'Aquilla, Mayor	\$ 12,000
Richard G. Holcomb	3,600
James R. Leake, Jr.	3,600
Oscar Robertson, Jr.	3,600
James Davis	3,600
David Fournet	<u>3,600</u>
Total	<u>\$ 30,000</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF GAS AND WATER RATES
AUGUST 31, 2005
(Unaudited)

RESIDENTIAL CUSTOMERS – GAS

\$12.00 minimum monthly bill 0 to 1,000 cubic feet
\$13.75 all excess per 1,000 cubic feet

SMALL BUSINESS CUSTOMERS – GAS

\$15.00 minimum monthly bill 0 to 1,000 cubic feet
\$13.75 all excess per 1,000 cubic feet

BUSINESS CUSTOMERS – GAS

\$60.00 minimum monthly bill 0 to 1,000 cubic feet
\$13.50 all excess per 1,000 cubic feet

RESIDENTIAL CUSTOMERS - WATER

\$12.00 per month for the first 2,000 gallons
\$2.75 all excess per 1,000 gallons

SMALL BUSINESS CUSTOMERS - WATER

\$15.00 per month for the first 2,000 gallons
\$2.75 all excess per 1,000 gallons

BUSINESS CUSTOMERS - WATER

\$50.00 per month for the first 10,000 gallons
\$2.25 all excess per 1,000 gallons

TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS
YEAR ENDED AUGUST 31, 2005

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Town of St. Francisville.
2. One reportable condition disclosed during the audit of the financial statements is reported in Part B. of this schedule. This condition is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the Town of St. Francisville were disclosed during the audit.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

1. Internal Control

Condition: There is a lack of segregation of duties due to the limited number of accounting personnel.

Criteria: Segregation of duties should be adequate to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control.

Recommendation: No action is recommended.

Response: We concur with the finding. It would not be cost effective to hire additional personnel to achieve the appropriate segregation of duties.